



NEWS RELEASE

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BLM Oil and Gas Lease Sale Nets over \$21 Million

Santa Fe—A quarterly oil and gas lease sale administered by the Bureau of Land Management netted \$21,134,558 in revenue today from 70 federal leases sold in New Mexico and Oklahoma. In New Mexico, 63 parcels brought in \$21,078,751 in revenue; in Oklahoma, 7 parcels brought in \$55,807. The oral auction took place on Wednesday, July 20, 2005, at the Paisano Building, 2968 Rodeo Park Drive West, in Santa Fe.

“Seventy of the 75 parcels offered in today’s sale received bids,” said Linda Rundell, BLM’s New Mexico State Director. “Half of the revenues from these lease sales are returned to the U.S. Treasury and half go to the States where the mineral lease occurs.”

Included in the lease sale was a 1,600-acre parcel from southern Otero County, which received the minimum bid of \$2.00 per acre. The bonus bid and first year’s rent for the parcel totaled \$5,675. “This low bid is not a surprise to us, and in fact, we anticipated that the parcel would go for the minimum bid because the Otero Mesa remains an exploratory area,” said Rundell. “We simply don’t know what kinds of oil and gas resources exist below the surface at this point.”

New Mexico will receive over \$10.5 million from today’s quarterly lease sale. In Fiscal Year 2004, New Mexico received over a million dollars a day as its share of mineral revenues (including royalties from producing leases) from federal public lands in the state. “This is a significant contribution to state programs that benefit all New Mexicans,” Rundell added.

The highest bid for a parcel – and the highest bid per acre – was from Baseline Minerals, Inc., of Denver, CO, who paid \$2,170 per acre for 2,136.17 acres, for a total of \$4.6 million in San Juan County, NM.

The Mineral Leasing Act of 1920 and the 1987 Federal Onshore Oil and Gas Leasing Reform Act authorize leasing of Federal oil and gas resources. The 1987 law requires each BLM state office to conduct oil and gas lease sales on at least a quarterly basis. BLM lease sales are competitive and conducted by oral bidding.

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The parcel offered today from Otero Mesa is the first to be offered in a BLM oil and gas lease sale since 1997, when leasing was halted so that BLM could develop a more thorough analysis of potential impacts from development. The planning effort amended an existing Resource Management Plan for Otero and Sierra Counties and resulted in one of the most restrictive plans for oil and gas leasing ever developed by the BLM.

“We will manage leasing in the counties to ensure that our strict limits on surface disturbance are not exceeded,” said Rundell. “We will also require that all disturbed areas are successfully revegetated with native Chihuahuan Desert grasses and forbs. Our plan is a model to show that oil and gas can be extracted from public lands in a manner that protects the environment.”

The BLM carries out its mission under the Federal Land Policy and Management Act, which directs the agency to manage the public lands for multiple uses while protecting natural, historical, and other resources of these lands. Environmentally sound production of domestic energy from fossil and renewable resources is an important part of the BLM’s multiple-use mission, and energy from Federally managed sources accounts for more than 30 percent of America’s energy production.

Government estimates indicate that Federal lands contain about 68 percent of all undiscovered U.S. oil and 74 percent of undiscovered natural gas. A detailed oil and gas inventory by the Interior and Energy Departments found that Federal lands in five key Western geologic basins – located in Montana, Wyoming, Utah, Colorado, and New Mexico – contain nearly 140 trillion cubic feet of natural gas. That is enough natural gas to supply the 56 million homes now using natural gas for the next 30 years.

The BLM, an agency of the U.S. Department of the Interior, manages more land – 261 million surface acres – than any other Federal agency. Most of this land is in 12 Western states, including Alaska. The Bureau also administers 700 million acres of subsurface mineral estate throughout the nation.

Results of today’s lease sale by state are as follows:

NM	63 parcels sold	64,679.10 acres sold	\$ 21,078,751*
OK	7 parcels sold	1,770.29 acres sold	\$ 55,807*
Total	70 parcels sold	66,449.39 acres sold	\$ 21,134,558*

* Includes bonus bids and fees, including rentals for first year.